Pharmaceutical Society of Great Britain v. Boots Cash Chemists

Facts: P sues D for displaying medicine on shelf in a supermarket style.

Principle: Display of goods is an invitation to treat not an offer.
Invitation to treat + Customer picks article + makes offer to buy on counter + accepted by the seller = CONTRACT

Australian Woollen Mills Pty Ltd v Cth (1954) 92 CLR 424

Facts: D promised to subsidize wool manufacturers for domestic uses, including P, to prevent inflation. P goes to auction buys wool and then applies for refund from D. D refunds various amounts each time (holding discretion with regards to the amount). D stopped paying, P sued D.

Principle: Offer definition and subsidy isn’t an offer.

Subsidy is not an offer because:

- Gvt has no intention to be legally bound
- Announcement of intention
- No quid pro quo
- Discretion over amount
- No rise of an obligation

Consideration doctrine. There needs to quid pro quo, acting in reliance of promise. If it’s a gift, it’s not enforceable. AWM did not buy the wool either “at the request” of the Commonwealth, or “in return” for the promise.

Seppelt & Sons Ltd v Commission for Main Roads (1975)

Facts: D needed for the construction of a freeway on P’s land. P and D exchanged letters and asking for more information. P thought it was an offer.

Principle: Request of information isn’t an offer.

Carlill v Carbolic Smoke Ball Company [1893] 1 QB 256

Facts: D makes offer in a newspaper advertisement for a ball cure to influenza, if doesn’t work D promised reward. D placed money in bank for sincerity. P bought the ball and contracted influenza, so she sued for reward.

Principle:

Unilateral contract - Acceptance in unilateral contracts is performance, no need for communicating acceptance.
Mere puff – Objective test – no inducement - Language used. (money in the bank).
Consideration - Inconvenience sustained by one party (taking the ball) at the request of the other (benefit by promoting the product) = consideration.
Felthouse v Bindley (1862) 142 ER 1037

Facts: man wrote to nephew to offer to buy horse: “If I hear no more about him, I consider the horse mine at £30 15s. Nephew intended to agree, and told auctioneer not to sell. Auctioneer sold horse by mistake. Uncle sued auctioneer, but no contract between him and nephew.

Held: N intended to sell horse to P but didn’t communicate intention, so no offer.

Principle: Offer must be communicated.

Bressan v Squires [1947] 2 NSWLR 460

D wants to sell her land and P wants to buy it. She gives him a time to notify acceptance before December 20. P posts his acceptance on 18 Dec and reaches the D on 21. Issue: contract made on the 18 or no contract on the 21.

Principle: Postal acceptance rule. Agreement once posted. Unless, the O/or states, I need to see the letter.

Bulter Machine Tool Co Ltd v Ex-Cell-O Corporation (Eng) Ltd [1979]

Facts: seller of machine provided price quotation with terms/conditions. Sellers form stipulated orders would only be accepted subject to terms/conditions. Buyer request supply on its own terms/conditions. Attached to buyer’s form was tear off acknowledgement form (agree to buyer’s term/conditions). Seller signed and returned with letter stipulating that machine would be supplied in accordance with seller’s quotation.

Held: The contract was made without a price variation clause

Principle: Acceptance must correspond to offer. Battle of forms. There’s a contract as soon as the last of the forms is sent and received without objection being taking to it.’’

R v Clarke*(1927)

2 policemen murdered, gvt gave reward. P knew of the offer for some time and didn’t disclose. P gave information to clear himself, not knowing of offer. Later sued to claim the reward.

Principle: Acceptance must correspond to offer. i.e: $100 if you swim in harbour. Someone pushes you and you swim. You swim to save your life but not relying on $100 offer. Consideration, no quid pro quo, acting in reliance of request.
Dickinson v Dodds (1876)

Facts: D offered to sell land by a specific date to P. In the meantime, D was negotiating another deal and P knew of it a day before the deadline. D rejected P’s offer even though it was before the deadline. P sued.

Principle: No consideration given to keep offer open. Knowledge of revocation is enough, not necessary to communicate revocation to P.

Goldsbrough Mort & Co Ltd v Quinn (1910)

Facts: O/or gave O/ee option to purchase certain land at specified price at any time within one week of agreement in return for sum of 5 shillings paid to O/or (consideration).

Principle: If promise to keep offer open is not enforceable. But, if promise with consideration then irrevocable offer.

Mobil Oil Australia Ltd v Lyndel Nominees Pty Ltd (1998)

Facts: D told P that anyone who performed well for 6 years gets reward. D cancelled offer four years later. P sued.

Principle: Revocation of unilateral. O/or can revoke anytime before complete performance. Solution:

1. Include an ancillary term: O/or can’t revoke offer if performance started.
2. Estoppel – material detriment

Stevenson, Jaques & Co v McLean (1880) 5 QBD 346

Facts: D offered to sell iron at certain price to P. However, P wanted more information. D didn’t send iron, P sued claiming they accepted. D claimed that the acceptance was not effective as their telegram had rejected the offer by way of counter-offer.

Principle: Mere inquiry or information isn’t a counter offer or rejection of offer. New term is a counter offer.

Council of Upper Hunter v Australian Chilling (1968)

Facts: Council to supply electricity to AC. Clause allowed the variation of “supplier’s cost”. Dispute was the meaning of “supplier’s cost”, that it’s too vague, so uncertain.
Principle: Uncertainty, very obscure language, no intention of parties. Multiple meanings, isn’t uncertain.

_Hillas and Co Ltd v Arcos Ltd_

**Facts:** D made contract with P to sell timber with an option to buy more timber for delivery next year. The option was held to be valid despite it not stating the kind, size or quality of the timber to be supplied or dates or ports of shipment. They did not specify the quality or price of the timber nor the dates for delivery.

**Principle:** Term is uncertain but P and D have done it before. Intention is there.

_Whitlock v Brew_

**Facts:** Contract of land including Shell petrol station. Condition that purchaser lease part of land to Shell Company of Australia Ltd (third party) “on such reasonable terms as commonly govern such a lease”. Held: no standard/reasonable terms of a lease.

**Principle:** If severance, changes the whole contract to which parties haven’t agreed to, then you can’t severe term and contract fails. Lease agreement essential terms.

_Coal Cliff Collieries Pty Ltd v Sijehama Pty Ltd (1991) 24 NSWLR 1_

**Facts:** A statement in a "heads of agreement" for a proposed complex joint venture for a coal mine said that the parties "would proceed in good faith to consult together upon the formation of a more comprehensive and detailed Agreement". Held to be too vague or uncertain to be enforceable.

**Principle:** Sometime a promise to negotiate in good faith can be enforceable.

_Masters v Cameron (1954) 91 CLR 353_

An agreement was reached to sell a farming property on certain terms. It was stated that, "this agreement is made subject to the preparation of a formal contract of sale which shall be acceptable to my solicitors on the above terms and conditions." Deposit paid, but purchaser changed his mind and wants deposit back arguing there was no contract. Held: there was a contract.

**Principle:** Subject to contract means 3 things:
- Terms restated but not changed = Contract
- All terms agreed + performance suspended until signing final contract = Contract
- No intention = NO Contract.